



Missouri MEDICAID Bulletin



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THIRD PARTY (OTHER INSURANCE) LIABILITY REQUIREMENT CHANGES

As providers are aware, under the current requirements of the Missouri Medicaid Pharmacy Program, pharmacy providers are encouraged, but are not required to pursue reimbursement from other insurance that Medicaid eligible patients may have. The agency then pursues these monies after pharmacy providers are paid through a “pay and chase” process. **This is to inform providers that effective for dates of service April 1, 2001, and thereafter, the Missouri Division of Medical Services will require pharmacy providers to seek reimbursement from other health insurance payment sources prior to any payment being made by the state agency.**

Effective for dates of service April 1, 2001, and thereafter, pharmacy claims for services provided for Medicaid eligible patients that also have pharmacy coverage through a private health insurance policy **will be denied.** A pharmacy claim for a service that indicates that the patient has other insurance and the amount paid by that other source will be paid the difference between the Medicaid maximum allowable reimbursement or the provider’s usual and customary and the third party payment received for that service. Pharmacy providers should continue to submit their usual and customary charge as the billed amount. The billed amount will continue to be compared with the Medicaid maximum allowable reimbursement for that service and the third party payment deducted from the lower figure to calculate the Medicaid payment.

THIRD PARTY RESOURCE DENIALS

Under certain circumstances, pharmacy providers may bypass the TPL edit upon receipt of a valid denial from a Medicaid eligible patient’s other insurance. Examples of a valid denial would be that the drug dispensed is not covered by the other third party, or the prescription dispensed exceeds the benefits and limitations defined by the policy with other third party, such as number of prescriptions allowed, maximum dollar limits, and so on.

If a Medicaid eligible patient has other insurance, the pharmacy benefits and limitations of that policy must be followed to obtain coverage by Missouri Medicaid. For example, if a Medicaid patient’s other insurance is an HMO, PPO, or has a limited list of pharmacy providers, the patient must go to a pharmacy in that network. Pharmacy providers may not refuse to provide service to a Missouri Medicaid eligible patient because he or she has private insurance. However, a Missouri Medicaid pharmacy provider may deny service to a Medicaid eligible patient if that provider is not in the network of the patient’s other insurance. Pharmacy providers are not to bill the recipient for any co-pay required by the private insurance. This

amount will be covered in the payment of the difference between the Medicaid maximum allowable amount and the private insurance payment.

A denial from a third party resource because the pharmacy provider failed to obtain prior authorization as required by the patient's other insurance in not considered a valid denial for the purposes of bypassing the TPL edit. See **CLAIMS FILING INSTRUCTIONS** elsewhere in this document for instructions related to bypassing this edit.

Private health insurance information may be accessed through the Interactive Voice Response (IVR) Unit at 800-392-0938, Option 1. Providers may also access this information through the Internet. If you wish to use the Internet to check eligibility and insurance information, you may obtain a security agreement at <http://www.medicaid.state.mo.us/Application.html>

THIRD PARTY LIABILITY BYPASS

There are certain claims that are not subjected to Third Party Liability edits in the Missouri Medicaid payment system. These claims are subject to all other claim submission requirements being met. Medicaid will continue to seek recovery from the third party resource after Medicaid reimbursement has been made to the provider.

For services described below, the provider may choose not to pursue the third party resource and submit a claim to Medicaid. The provider's payment is limited to the maximum Medicaid allowable. The following services bypass Third Party Liability edits in the Missouri Medicaid claims payment system.

- . The claim is for a child who is covered by a non-custodial parent's medical support order. Note: this information is stored in the eligibility file. Pharmacy claims for these individuals will not deny for this edit.
- . The claim relates to prenatal care for pregnant women. Therefore, prenatal vitamins with 1mg folic acid are exempt from the third party liability edit.

CLAIMS FILING INSTRUCTIONS

Third party resource information is to be reported in the following point-of- service claim fields:

<u>NCPDP Version</u>	<u>Field Number</u>	<u>Field Description</u>	<u>Valid Values</u>
1.0*	Not supported*	Not supported*	Not supported*
3.2 and 3.C	431	Other Payor Amount	Dollar amount received
	308	Other Coverage Code	0 = not specified 1 = no other coverage identified 2 = other coverage exists, payment collected 3 = other coverage exists, this claim not covered 4 = other coverage exists, payment not collected

In the event that the third party resource denies a claim for a Medicaid eligible patient, due to a non-coverage issue, a TPL denial override may be used to obtain Medicaid adjudication. This would be accomplished via NCPDP Versions 3.2 or 3.C by entering a "3" in field 308 as described above. As described elsewhere in this document, this override mechanism is not to be used to circumvent third party insurance prior authorization requirements or out-of-network denials.

*NCPDP Version 1.0 does not currently allow providers the ability to submit this information via point-of-service. Pharmacy providers submitting claims using NCPDP Version 1.0 which are subsequently denied for this edit must file paper claims identifying the other insurance amount paid. When submitting a paper claim, enter a "Y" in field number 7, "Other Insurance" and the dollar amount received in field number 18, "Other Insurance Amount/Information." Pharmacy providers submitting claims using NCPDP Version 1.0 which are subsequently denied for this edit, and for which the provider received denials from the other third party resource, must file paper claims with a copy of the other third party resource denial attached. A copy of the paper claim and claim filing instructions were provided in Pharmacy Bulletin, Vol. 23, No. 1, dated July 10, 2000. This bulletin may be viewed on the agency web site at www.dss.state.mo.us/dms.

MISSOURI MEDICAID INSURANCE RESOURCE REPORT (TPL-4)

The following is reprinted material from Section 5.8 of the Missouri Medicaid Provider Manual:

Many times a provider may learn of a change in insurance prior to Medicaid as the provider has an immediate contact with their patients. If the provider learns of new insurance information or of a change in the TPL information, they may submit the information to the Medicaid agency to be verified and updated to the recipient's eligibility file.

The provider may report this new information to the Medicaid agency using the Missouri Medicaid Insurance Resource Report (see Attachment 1). Complete the form as fully as possible to facilitate the verification of the information. Do *not* attach claims to process for payment. They cannot be processed for payment due to the verification process.

Please allow six to eight weeks for the information to be verified and updated to the recipient's eligibility file. Providers wanting confirmation of the state's response should indicate so on the form and ensure the name and address information is completed in the spaces provided.

CHANGE IN EARLY REFILL EDIT CALCULATION

Effective for dates of service of April 1, 2001 and thereafter, the definition of early refill will be modified. Effective for dates of service, April 1, 2001, when a claim is submitted to Medicaid, the system will compare the drug, strength, and dosage form of the prescription with all active prescriptions in the patient's history for a match. An "active" prescription would be any drug for which 75% of the days supply has not been used. This is an modification of the previous definition which was based on 70% of the days supply.

FEDERAL UPPER LIMIT/MISSOURI MAC

Due to the lack of availability of product, both the federal upper limit and the Missouri State Maximum Allowable Cost (MAC) have been deleted for the following product: Propoxyphene Hydrochloride 65mg capsule.